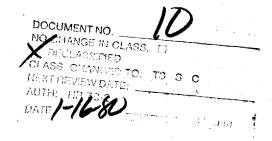
MEC BRIEFING

16 January 1957

25X1A

## IMPORTSIA

- 9 Jan Masjami exit heavy blow to All cabinet—but not necessarily fatal.
  - A. Sukarno, Communists strongly back Ali.
  - B. Gov't survival depends on continued MV support.
  - C. Showdown may come shortly after parliament reconvenes 21 Jan.
  - D. Ali has promised report on handling of Sumstran affair: probably will face confidence vote.
  - E. Meanwhile, dissidents in Sumatra and elsewhere will take heart from Masjumi exit.
- II. No progress settlement Sumatra revolt.
  - A. Simbolon has ignored surrender deadline and Hussein firmly controls center.
  - B. Gov't effort to mollify dissidents only whetting appetites for more concessions.
- III. Djakarta anxious avoid violence.
  - A. Mowever, North Sumetra commiss--arased by local army commander-may clash with pro-Simbolon forces.



NSC BRIEFING

10 January 1957

## INDONESIA

- I. Masjumi Party's withdrawal from Indonesian cabinet on 9 Jan is heavy--but not necessarily fatal--blow to Ali govt.
  - A. Sukarno--still top leader--says he does not want a "cabinet crisis" until Sumatran problem settled.
  - B. Nahdlatul Ulama (NE-45 seats), other small Moslem parties, also say they want to preserve Ali regime.
  - C. Thus, Ali can count on parliamentary majority (with Communist support--39 seats) despite exit of Masjumi (57 seats) and possibly one or two other minor parties.
  - D. Ali's survival, however, depends on NU not changing its mind and large NU elements not defecting.
  - E. Showdown may come shortly after parliament reconvenes 21 Jan.
  - F. Ali has promised report on handling of Sumatran affair: probably will face confidence vote.
  - G. Meanwhile, Masjumi walkout will strongly encourage dissidents, both in Sumatra and other parts of Indonesia who want to upset Ali, bring in Hatta as head of a "presidential" cabinet.
- II. Revolt in Sumatra has remained bloodless, but without progress toward settlement.
  - Col. Simbolon ignored 5 January deadline for surrender, and is reported to have joined Hussein who firmly controls central Sumatra.
  - B. Hussein has warned Djakarta that force would be met with force.
  - C. Belated government effort to eliminate chief sources of Approved For Release 2002/02/12: CIA-RDP79R00890A000800030026-8

discontent -- by offers of greater autonomy and additional funds -- so far show no results.

- Such concessions probably only whetting appetite for similar treatment elsewhere.
- 2. "Prominent citizens" of south Borneo, for instance, have requested autonomy and greater share of money earned by local resources.
- III. Djakarta still anxious to avoid violence, but may not be able to prevent Communist-inspired fighting.
  - A. North Sumatra command has suspended all civilian arms licenses in Siantar area.

B.

- 1. Highly unlikely that Gov't can reclaim these arms by mere decree.
- 2. Thus, conflict between Communists and pro-Simbolon forces is continuing possibility.

25X1C